## UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

SECURITIES INVESTOR PROTECTION CORPORATION,

Adv. Pro. No. 08-01789 (BRL)

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT SECURITIES, LLC,

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation of Bernard L. Madoff Investment Securities, LLC,

Adv. Pr. No. 10-04213 (BRL)

Plaintiff,

v.

ANSWER

ENRICA COTELLESSA-PITZ and THOMAS PITZ,

Defendants.

Defendants, Enrica Cotellessa-Pitz and Thomas Pitz, by their attorney, Richard R. Leff, for their Answer to Plaintiff's Complaint, allege as follows:

Defendant's deny knowledge and/or information sufficient to form a
belief as to the allegations contained in Paragraph 1, except admit that
Madoff pleaded guilty and was sentenced, and legal conclusions as to
which a response is not required.

- 2. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 2, except admit that Enrica Cotellesa-Pitz ("Pitz") was certified, and was an employee of BLMIS and "Controller" in name only for a period of time, and deny that she knowingly participated in a fraudulent Ponzi Scheme.
- 3. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 3, other than admit that when Pitz became "Controller" she had certain job responsibilities, including monitoring the BLMIS Anti-Money Laundering Program.
- 4. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 4.
- 5. Defendants deny the allegations contained in Paragraph 5.
- Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 6.
- 7. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 7.
- 8. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 8.
- 9. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 9, other than admit that Pitz held a Series 27 license.

- 10. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 10, other than admit that Pitz received a salary for work and made withdrawals from two IA accounts.
- 11. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 11.
- 12. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 12.
- 13. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 13, other than admit that Pitz received salary for work and made withdrawals from two IA accounts.
- 14. The allegations contained in Paragraph 14 contain legal conclusions as to which a response is not required.
- 15. The allegations contained in Paragraph 15 contain legal conclusions as to which a response is not required.
- 16. The allegations contained in Paragraph 16 contain legal conclusions as to which a response is not required.
- 17. Defendants admit the allegations in Paragraph 17.
- 18. Defendants admit the allegations in Paragraph 18.
- 19. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 19.

- 20. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 20.
- 21. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 21.
- 22. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 22.
- 23. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 23.
- 24. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 24, except to admit that Madoff pleaded guilty and was sentenced.
- 25. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 25, except to admit that Di Pascali pleaded guilty.
- 26. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 26.
- 27. The allegations contained in paragraph 27 contain legal conclusions as to which a response is not necessary.
- 28. The allegations contained in paragraph 28 contain legal conclusions as to which a response is not necessary.
- 29. The allegations contained in paragraph 29 contain legal conclusions as to which a response is not necessary.

- 30. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 30, other than admit BLMIS operated from 885 Third Avenue, New York, New York.
- 31. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 31.
- 32. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 32.
- 33. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 33.
- 34. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 34.
- 35. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 35.
- 36. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 36.
- 37. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 37.
- 38. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 38.
- 39. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 39.

- 40. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 40.
- 41. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 41.
- 42. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 42.
- 43. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 43.
- 44. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 44.
- 45. Defendants deny the allegations contained in Paragraph 45.
- 46. Defendants admit the allegations contained in Paragraph 46.
- 47. Defendants deny the allegations contained in Paragraph 47.
- 48. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 48.
- 49. Defendants deny the allegations contained in Paragraph 49.
- 50. Defendants deny the allegations contained in Paragraph 50.
- 51. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 51.
- 52. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 52, other than deny that the reports were fraudulent.

- 53. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 53.
- 54. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 54.
- 55. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 55.
- 56. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 56.
- 57. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 57, other than deny that Pitz fraudulently failed to record loans.
- 58. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 58.
- 59. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 59.
- 60. Defendants deny the allegations contained in Paragraph 60 as to knowledge of use of assets.
- 61. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 61.
- 62. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 62, other than admit that Pitz provided documents to the auditor.

- 63. Defendants deny the allegations contained in Paragraph 63.
- 64. Defendants deny the allegations contained in Paragraph 64, other than admit that she had certain job responsibilities, including monitoring of the BLMIS Anti-Money Laundering Program.
- 65. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 65.
- 66. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 66.
- 67. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 67.
- 68. Defendants admit the allegations in Paragraph 68 as to her relationships with several employees.
- 69. Defendants deny the allegations contained in Paragraph 69.
- 70. Defendants deny the allegations contained in Paragraph 70, other than admit to the withdrawal of money from their BLMIS accounts.
- 71. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 71.
- 72. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 72, other than deny that defendants had knowledge and that they should not be credited with monies invested, and admit that the IA account was opened after invitation.

- 73. Defendants deny the allegations contained in Paragraph 73, other than admit that she was paid a salary during her employment and was given a raise in 2007.
- 74. Defendants deny the allegations contained in Paragraph 74.
- 75. Defendants deny the allegations contained in Paragraph 75.
- 76. Defendants admit the allegations contained in Paragraph 76.
- 77. Defendants deny the allegations contained in Paragraph 77, other than <a href="mailto:admit">admit</a> to making withdrawals and receiving salary.
- 78. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 78.
- 79. The allegations contained in Paragraph 79 contain certain legal conclusions as to which a response is not required.
- 80. The allegations contained in Paragraph 80 contain certain legal conclusions as to which a response is not required, other than <u>admit</u> to making withdrawals and receiving salary.
- 81. The allegations contained in Paragraph 81 contain certain legal conclusions as to which a response is not required, other than admit to making withdrawals and receiving salary.
- 82. The allegations contained in Paragraph 82 contain certain legal conclusions as to which a response is not required, other than admit to making withdrawals and receiving salary.

- 83. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 83.
- 84. Defendants admit the allegations contained in Paragraph 84.
- 85. Defendants admit the allegations contained in Paragraph 85.
- 86. Defendants admit the allegations contained in Paragraph 86.
- 87. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 87.
- 88. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 88.
- 89. The allegations contained in Paragraph 80 contain certain legal conclusions as to which a response is not required.
- 90. Defendants deny the allegations contained in Paragraph 90.
- 91. Defendants deny the allegations contained in Paragraph 91.
- 92. Defendants deny the allegations contained in Paragraph 92.
- 93. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 93.
- 94. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 94.
- 95. The allegations contained in Paragraph 95 contain certain legal conclusions as to which a response is not required.
- 96. The allegations contained in Paragraph 96 contain certain legal conclusions as to which a response is not required.

- 97. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 97.
- 98. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 98.
- 99. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 99.
- 100. Defendants deny the allegations contained in Paragraph 100.
- 101. Defendants deny the allegations contained in Paragraph 101.
- 102. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 102.
- 103. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 103.
- 104. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 104.
- 105. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 105.
- 106. Defendants deny the allegations contained in Paragraph 106.
- 107. Defendants deny the allegations contained in Paragraph 107.
- 108. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 108.
- 109. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 109.

- 110. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 110.
- 111. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 111.
- 112. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 112.
- 113. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 113.
- 114. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 114.
- 115. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 115.
- 116. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 116.
- 117. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 117.
- 118. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 118.
- 119. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 119.
- 120. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 120.

- 121. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 121.
- 122. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 122.
- 123. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 123.
- 124. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 124.
- 125. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 125.
- 126. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 126.
- 127. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 127.
- 128. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 128.
- 129. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 129.
- 130. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 130.
- 131. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 131.

- 132. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 132.
- 133. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 133.
- 134. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 134.
- 135. Defendants deny the allegations contained in Paragraph 135.
- 136. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 136.
- 137. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 137.
- 138. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 138.
- 139. Defendants deny the allegations contained in Paragraph 139.
- 140. Defendants deny the allegations contained in Paragraph 140.
- 141. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 141.
- 142. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 142.
- 143. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 143.

- 144. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 144.
- 145. Defendants deny knowledge and/or information sufficient to form a belief as to the allegations contained in Paragraph 145.
- 146. Defendants deny the allegations contained in Paragraph 146.
- 147. Defendants deny the allegations contained in Paragraph 147.

## AS AND FOR A FIRST AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the Statute of Limitations.

## AS AND FOR A SECOND AFFIRMATIVE DEFENSE

The Adversary Proceeding fails to state a cause of action upon which relief can be granted against the defendants.

WHEREFORE, judgment should be awarded:

- A. Dismissing the Adversary Proceeding;
- B. Awarding the defendants the costs of this action together with reasonable attorney's fees;
- C. Awarding to the defendants such other and further relief as thisCourt deems just and proper.

Dated: December 2, 2010 Kew Gardens, New York

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